



DONALD L. WOLFE, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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September 29, 2005

IN REPLY PLEASE

REFER TO FILE: **PJ-1**

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**KENNETH HAHN STATE RECREATION AREA SOCCER FIELDS PROJECT
APPROVE CHANGE ORDER
SPECS. 5460; C.P. 77032
SUPERVISORIAL DISTRICT 2
4 VOTES**

**JOINT RECOMMENDATION WITH THE CHIEF ADMINISTRATIVE OFFICER AND
DIRECTOR OF PARKS AND RECREATION THAT YOUR BOARD:**

Approve and authorize the Director of Public Works to execute a final close-out change order in the amount of \$53,831 to Contract PW-12598 with Morrissey Construction Company for the Kenneth Hahn State Recreation Area Soccer Fields project.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended action will allow Public Works to execute a final close-out change order with Morrissey Construction for the Kenneth Hahn State Recreation Area Soccer Fields project in accordance with the findings and recommendations of the Disputes Review Board.

Project Background

On August 13, 2002, your Board awarded a construction contract in the amount of \$1,871,510 to Morrissey Construction for the Kenneth Hahn State Recreation Area Soccer Fields project.

The project included constructing two soccer fields (one junior field and one adult field), a 1,545-square-foot field office building with public restrooms and storage space, a 46-space parking lot, and landscaping and irrigation improvements on a site previously used for oil exploration and drilling.

Construction began in September 2002. During the grading operations, unfavorable soil conditions attributed to the previous use of the site were encountered that would inhibit the establishment and long-term growth of the turf for the soccer fields. On December 16, 2003, your Board approved the reallocation of available funds within the existing project budget and an additional \$150,000 for change orders to mitigate the unfavorable soil conditions. With the reallocated and additional funds, the change order fund was increased to \$459,494, which represents 24.6 percent of the original contract amount.

Construction was substantially completed on March 25, 2004, and Parks and Recreation assumed beneficial occupancy of the soccer fields on July 23, 2004.

Disputes Review Board Hearing

On August 6, 2004, subsequent to completion of construction, Morrissey Construction submitted change order claims for additional costs allegedly incurred on the project. The total amount of the change order claims requested by the contractor was \$179,655 for additional site work and landscape maintenance associated with the soccer fields. Public Works reviewed the contractor's change order claims and, on November 8, 2004, notified Morrissey Construction in writing that the County had rejected their change order claims.

Morrissey Construction requested a Disputes Review Hearing. On February 15 and March 15, 2005, a Disputes Review Panel consisting of County personnel was convened to interpret the contract documents and make a determination regarding the contractor's change order claims. On June 23, 2005, the Disputes Review Panel determined that the contractor was entitled to \$53,831 as fair compensation for the outstanding change order claims. The contractor has agreed to accept the \$53,831 offer from the County as full and final payment for the outstanding change order claims.

Under the County Code, the Director of Public Works has the delegated authority to execute change orders up to a maximum of 25 percent of the original contract amount. Since the award of the construction contract, 15 change orders totaling \$455,434 (approximately 24 percent of the original contract amount) have been executed under

delegated authority. The recommended close-out change order for \$53,831, when combined with the amount of the previously executed change orders, would exceed Public Works' delegated authority.

Therefore, we are requesting authorization from your Board to execute the close-out change order in the amount of \$53,831 for final payment of the outstanding change order. This change order will be funded from remaining project funds and will not require an increase to the Board-approved project budget.

Implementation of Strategic Plan Goals

The completed capital improvement project meets the County Strategic Plan Goals of Fiscal Responsibility and Children and Families' Well-Being by investing in public infrastructure and providing new recreational facilities to enhance service to the public and their quality of life.

FISCAL IMPACT/FINANCING

On December 16, 2003, your Board approved a total project budget of \$3,725,000, including \$459,494 for change orders. To date, 15 change orders totaling \$455,434 have been executed by Public Works under delegated authority, leaving a remaining balance of \$4,060 in the change order fund. The final close-out change order for \$53,831 will be funded from remaining change order funds and by reallocating \$49,771 in savings from construction administration services in the current total project budget. Sufficient appropriation is available in the Fiscal Year 2005-06 Capital Projects Budget (C.P. 77032) to fund the recommended close-out change order. The Project Budget Summary is included in Enclosure A.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Section 20137 of the Public Contract Code allows your Board, with a four-fifths vote, to authorize a change to a construction contract that is less than 10 percent of the original contract amount without having to obtain bids for the work. The recommended change order for \$53,831 represents 2.88 percent of the original contract amount.

ENVIRONMENTAL DOCUMENTATION

On May 21, 2002, your Board certified the final Focused Environmental Impact Report and adopted the Mitigation Monitoring Plan for the Kenneth Hahn State Recreation Area Soccer Fields project.

The Honorable Board of Supervisors
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CONTRACTING PROCESS

On August 13, 2002, your Board awarded a construction contract for \$1,871,510 to Morrissey Construction. Since the award of the contract, 15 change orders totaling \$455,434 have been executed. Approval of this action would result in a final contract amount of \$2,380,775.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of this action will have no impact on current services or projects.

CONCLUSION

Please return one adopted copy of this letter to the Chief Administrative Office (Capital Projects Division) and Public Works.

Respectfully submitted,

DONALD L. WOLFE
Director of Public Works

DAVID E. JANSSEN
Chief Administrative Officer

RUSS GUINEY
Director of Parks and Recreation

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Enc.

cc: County Counsel

September 29, 2005

ENCLOSURE A

**KENNETH HAHN STATE RECREATION AREA SOCCER FIELDS PROJECT
APPROVE CHANGE ORDER
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PROJECT BUDGET SUMMARY

Budget Category	Board Approved Project Budget	Impact of this Action	Current Project Budget
Plans and Specifications	\$ 296,367	\$ 0	\$ 296,367
Construction Administration	92,000	(49,771)	42,229
Total Plans and Specifications	\$ 388,367	\$ (49,771)	\$ 338,596
Plan Check, Permits, and Annexation	\$ 36,597	\$ 0	\$ 36,597
Construction	\$1,871,510	\$ 0	\$1,871,510
Change Order Contingency	459,494	49,771	509,265
Equipment/Utility Connection Fees	6,000	0	6,000
At-Risk Youth Employment*	54,749	0	54,749
Total Construction	\$2,391,753	\$ 49,771	\$2,441,524
Other Consultant Services	\$ 278,007	\$ 0	\$ 278,007
Miscellaneous Expenditures	\$ 9,014	\$ 0	\$ 9,014
Unforeseen Site Conditions	\$ 0	\$ 0	\$ 0
County Services	\$ 621,262	\$ 0	\$ 621,262
TOTAL	\$3,725,000	\$ 0	\$3,725,000

* Includes youth labor, supervision, and materials.